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DATE PREPARED: February 01, 2012
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LB 830

Revision: 01

Revised due to error

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

| ESTIMATE OF FISCAL IMPACT – STATE AGENCIES * | | | | |
|--|--------------|--------------|--------------|--------------|
| | FY 2012-13 | | FY 2013-14 | |
| | EXPENDITURES | REVENUE | EXPENDITURES | REVENUE |
| GENERAL FUNDS | | (\$ 362,000) | | (\$ 525,000) |
| CASH FUNDS | | | | (\$ 21,250) |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | | (\$ 362,000) | | (\$ 546,250) |

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 830 amends the Nebraska Revenue Act, Nebraska Revised Statutes Section 77-2701.04 to provide a sales and use tax exemption for biochips.

Biochips are defined as a solid substrate upon or into which is incorporated specific genetic or protein information or chemicals that are queried through one or more chemical interactions allowing (a) an isolation of one or more single nucleotide polymorphisms which constitute an animal or plant genotype, (b) an expression profile which measures activity of genes or the presence of proteins, or (c) a detailed genomic sequence or protein profile. The specific genetic or protein information or chemicals incorporated upon or into the biochip are consumed in the process of conducting the analysis.

The bill has an operative date of July 1, 2012 and contains the emergency clause.

The Department of Revenue estimates a reduction of sales and use tax revenue to the state as follows:

| | General Fund: | Highway Improvement Fund: | Total Impact: |
|------------|---------------|---------------------------|---------------|
| FY2012-13: | (\$ 362,000) | \$ 0 | (\$ 362,000) |
| FY2013-14: | (\$ 525,000) | (\$ 21,250) | (\$ 546,250) |
| FY2014-15: | (\$ 554,591) | (\$ 22,448) | (\$ 577,039) |

The Department indicates minimal cost to implement the provisions of LB 830.

There is no basis to disagree with the Department of Revenue's estimate of fiscal impact and cost.

MPACT TO POLITICAL SUBDIVISIONS:

The Department of Revenue estimates the following fiscal impact to the Highway Allocation Fund:

| | |
|------------|------------|
| FY2012-13: | \$ 0 |
| FY2013-14: | (\$ 3,750) |
| FY2014-15: | (\$ 3,961) |

DEPARTMENT OF ADMINISTRATIVE SERVICES

| REVIEWED BY | Lyn Heaton | DATE | 1/24/12 | PHONE | 471-2526 |
|--|------------|------|---------|-------|----------|
| COMMENTS | | | | | |
| DEPT. OF REVENUE – The agency analysis appears reasonable. | | | | | |

